



# HUGH-PAM PORCUPINE MINES LIMITED

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ANNUAL  
REPORT 1968

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## HUGH-PAM PORCUPINE MINES LIMITED

<i>Officers</i>	H. F. Brownbill, <i>President</i>  F. G. Lawson, <i>Vice-President</i>  W. H. Maedel, <i>Vice-President and Secretary-Treasurer</i>
<i>Directors</i>	H. F. Brownbill  L. B. Harder  D. G. Lawson  F. G. Lawson  W. H. Maedel
<i>Transfer Agents and Registrars</i>	Canada Permanent Trust Company, Toronto, Canada  Registrar and Transfer Company, Jersey City, U.S.A.
<i>Auditors</i>	Campbell, Sharp, Nash & Field
<i>Bankers</i>	Bank of Montreal
<i>Solicitors</i>	Lang, Michener, Cranston, Farquharson & Wright
<i>Head Office</i>	105 Adelaide St. West, Toronto, Ontario

*Annual Meeting* 2:00 p.m., June 4, 1969,

105 Adelaide St. West, Toronto, Ontario

## Report of the Directors

To the Shareholders:

The Annual Report of the Company for the year ended December 31, 1968 is presented herewith.

At year-end working capital plus investments at quoted market value totalled \$747,620, or 16¢ per share — compared to \$572,205 at December 31, 1967 — after net expenditures during the year for exploration and development of \$55,137.

Most of the investment in Brazilian Light and Power Company Ltd. was liquidated last year and some new investments were added to the portfolio. The main shareholdings at December 31, 1968 were as follows:

<u>Company</u>	<u>Shares</u>
Abitibi Paper Company Ltd. ....	12,000
Brazilian Light and Power Company Ltd. ....	5,500
British Newfoundland Corporation Ltd. ...	3,547
Canadian Pacific Investments Ltd. —	
Preferred "A" .....	2,000
Kerr Addison Mines Limited .....	10,000
Power Corporation of Canada Ltd. ....	10,000
	<u>Warrants</u>
Canadian Pacific Investments Ltd. ....	2,000

Exploration for uranium was carried out on the 159 claims in the Serpent River Area of Ontario, south of Elliot Lake. Detailed geological mapping of the granite-sedimentary contact that traverses the claims was followed by diamond drilling. Four of the five holes drilled penetrated the Lower Mississagi formation but failed to locate the favourable conglomerate beds. These claims will be given further study before a decision is reached as to doing further work.

An exploration project for silver deposits in the Cobalt Area of Ontario was conducted by the Company with financing provided by Hugh-Pam and other participants. Eighteen holes totalling approximately 15,000 feet were drilled between March and December, 1968 to test a trough of Huronian sediments. Although interesting silver values were encountered no deposits of ore-making potential were indicated; therefore, the project has been terminated and the property options relinquished.

During the 1968 field season further exploration was done on the claim group in the Ketza River Area, Yukon Territory in which the Company is participating with Northwest Explorers (1967) Limited and Freeport Canadian Exploration Company. The work consisted mainly of bulldozer trenching of geochemical anomalies located during a program of soil sampling and geological mapping carried out in 1967. The silver veins located in this work are of insufficient size and grade to be economic in such a remote location.

The former gold producing property in the Porcupine Area continues to be of interest in view of the prospects for an increase in the official price of gold. A large tonnage of low grade gold-bearing material was indicated in the Hugh-Pam mine prior to shut-down in 1965.

Management is continuing its search for potential mining properties.

On behalf of the Board,



President.

April 29, 1969.



# HUGH-PAM PORCUPINE MINES LIMITED

(Incorporated under the laws of Ontario)

## Balance Sheet as at December 31, 1968

(With comparative figures for 1967)

ASSETS		
Current	1968	1967
Cash and short term deposits .....	\$ 176,830	\$ 16,438
Accrued interest .....	414	83
	<u>177,244</u>	<u>16,521</u>
Investments in Other Companies — at cost		
Market value 1968 — \$614,575; 1967 — \$564,350 .....	517,463	342,403
Mining Property		
Whitney Township .....	1	1
Serpent River Area — at cost .....	9,778	8,774
	<u>9,779</u>	<u>8,775</u>
Deferred		
Exploration, development and other expenditures .....	59,093	24,651
	<u>\$ 763,579</u>	<u>\$ 392,350</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities .....	\$ 44,199	\$ 8,666
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized — 6,000,000 shares, par value \$1.00		
Issued — 4,790,601 shares .....	\$4,790,601	
Less: Discount on shares issued .....	<u>2,691,261</u>	<u>2,099,340</u>
Deficit		
Balance, December 31, 1967 .....	1,715,656	
Add: Exploration written off .....	20,695	
	<u>1,736,351</u>	
Deduct: Gain on disposal of investments .....	<u>356,391</u>	<u>(1,715,656)</u>
	<u>719,380</u>	<u>383,684</u>
	<u>\$ 763,579</u>	<u>\$ 392,350</u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board:

“H. F. BROWNBILL”, Director.

“FRANK G. LAWSON”, Director.

# HUGH-PAM PORCUPINE MINES LIMITED

## *Statement of Deferred Exploration, Development and Other Expenditures*

For the Year Ended December 31, 1968

<b>Balance, December 31, 1967</b> .....		<b>\$ 24,651</b>
<b>Serpent River Area — Ontario</b>		
Prospecting and staking .....	\$ 189	
Geological and engineering salaries .....	4,906	
Consultants and outside engineering .....	4,755	
Diamond drilling .....	21,609	
Geophysical surveys .....	1,541	
Geological surveys .....	2,224	
Field office and camp expense .....	5,302	
Vehicle operating .....	1,822	42,348
<b>Ketza River Area — Y.T.</b> .....		14,298
		<u>56,646</u>
<b>Other</b>		
Cobalt Silver prospect — participation .....	20,235	
Examination of prospects .....	460	
	<u>20,695</u>	
Less: Amount transferred to deficit .....	20,695	
<b>Property Taxes — Whitney Township</b> .....		1,459
<b>Administration</b>		
Salaries .....	5,800	
General and administration .....	10,100	
Directors' fees .....	225	
Legal and audit .....	629	
Shareholders' reports and meetings .....	971	
Transfer agents' fees and expenses .....	1,685	19,410
		<u>77,515</u>
Less: Dividend and interest income .....		43,073
<b>Net Expenditures for year — deferred</b> .....		<u>34,442</u>
<b>Balance, December 31, 1968</b> .....		<u><u>\$ 59,093</u></u>

The accompanying notes are an integral part of the financial statements



## HUGH-PAM PORCUPINE MINES LIMITED

### *Statement of Source and Use of Funds*

For the Year Ended December 31, 1968

#### Source of Funds

Sale of investment in shares of other companies .....	\$ 651,141
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#### Use of Funds

Net expenditures per statement .....	\$ 34,442	
Amounts written off per statement .....	20,695	
Investment in shares of other companies .....	469,809	
Acquisition of mining claims .....	1,005	525,951
<b>Increase in Working Capital</b> .....		<u>125,190</u>
<b>Working Capital, beginning of year</b> .....		7,855
<b>Working Capital, end of year</b> .....		<u><u>\$ 133,045</u></u>

### *Notes to the Financial Statements*

December 31, 1968

1. Should mining operations at its Whitney Township property be resumed profitably, some portion or all of a liability of \$269,000, since written off could become payable out of said profits.
2. Investments are being shown at cost (average) in place of cost less proceeds of disposals, as shown in prior years.
3. Comparative figures for 1967 receipts and expenditures have not been shown since activities of the company were not of a comparable nature.
4. Remuneration of directors and senior officers was \$6,025.

# HUGH-PAM PORCUPINE MINES LIMITED

## AUDITORS' REPORT

To the Shareholders of  
Hugh-Pam Porcupine Mines Limited:

We have examined the balance sheet of Hugh-Pam Porcupine Mines Limited as at December 31, 1968 and the statements of deferred exploration, development and other expenditures, and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1968 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CAMPBELL, SHARP, NASH & FIELD,  
Chartered Accountants.

Toronto, Canada,  
March 21, 1969.



